GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:508
ANSWERED ON:06.02.2017
Merger of Oil PSUs
Ashok Kumar Shri K.

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government proposes to make merger of Oil and Natural Gas Corporation Limited with a refining corporation such as Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited and Hindustan Petroleum Corporation Limited and if so, the details thereof; and
(b) the benefits likely to be extended to such companies after completion of said mega merger?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)
(a) & (b): At present, there is no such decision on merger of Oil and Gas Central Public Sector Enterprises (CPSEs). In this context, Finance Minister in the Union Budget Speech of 2017-18 on February 1, 2017 inter alia stated that "We see opportunities to strengthen our CPSEs through consolidation, mergers and acquisitions. By these methods, the CPSEs can be integrated across the value chain of an industry. It will give them capacity to bear higher risks, avail economies of scale, take higher investment decisions and create more value for the stakeholders. Possibilities of such restructuring are visible in the Oil and Gas sector. We propose to create an integrated public sector "Oil Major" which will be able to match the performance of international and domestic private sector oil and gas companies."
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